DEPARTMENT OF HEALTH AND FAMILY SERVICES
DIVISION OF HEALTH CARE FINANCING
ADMINISTRATOR'S MEMO SERIES

NOTICE: 05-10

DATE: November 15, 2005

DISPOSAL DATE: Ongoing

RE: Appendix AL to the 2006 State and County Contract Covering Social Services and Community Programs and Allocations for Second Party Reviews and MA Verification

TO: County Departments of Human Services Directors
County Departments of Social Services Directors
Tribal Chairpersons/Human Services Facilitators
Tribal Economic Support Directors

FROM: Mark B. Moody, Administrator
Division of Health Care Financing

PURPOSE

This memo provides information about contract language changes included in Appendix AL to the 2006 State and County Contract for Social Services and Community Programs. These provisions will be effective January 1, 2006.

Because the State and Tribal Contract for the Department of Health and Family Services Programs was effective beginning October 1, 2005, not all of these requirements apply to the tribes for Program Year (PY) 2006. A separate Administrator's Memo will provide information about the requirements for the tribes for PY 2006 and PY 2007. However, the allocations shown in Attachment 1 will be added to the base IM allocation for all agencies, including tribes.

Contract language changes were reviewed with the Income Maintenance Advisory Committee's (IMAC) subcommittee on Workload and Financing, the full IMAC and the Wisconsin County Human Services Association.

Separate Administrator's or Operations Memos will be issued to provide more information about the implementation of these provisions.

Additional information about CY 2006 base IM contract allocations is provided in Administrator's Memo 05-07. A separate Administrator's Memo will provide allocations for MA transportation, funeral and cemetery, and fraud investigation and program integrity.

PERFORMANCE STANDARDS

Two new performance standards have been included in the CY 2006 IM Appendix. These standards are for timely case processing and completion of second party reviews.

Timely Case Processing

IM agencies are required to ensure that all Medicaid and FoodShare applications are processed within 30 days, and that expedited FoodShare benefits are processed within seven days. If the IM agency does not process 95% or more of applications in a timely manner, the Department may implement Corrective Action provisions. Under the Corrective Action provisions, the IM agency would have to submit a corrective action plan to DHFS, and must implement the plan within 10 days of approval by DHFS.

A separate Administrator's Memo will be issued describing this data and the process used for monitoring this provision.

Second Party Reviews

Additional funding was provided for local IM agencies in the 2005-2007 biennial budget for completing Medicaid second party reviews. Total annual statewide funding is $630,000. Allocations for second party reviews are shown in Attachment 1. These allocations will be added to each agency's CY/PY base IM contract allocation for 2006. These funds are allocated to each agency based on their respective FoodShare caseload and share of cases with only Medicaid as of September 12, 2005.

Under the CY 2006 Appendix AL, IM agencies are required to complete 100% of the Medicaid and FoodShare Second Party Reviews as defined by the Department. If the IM Agency does not complete 100% of the second party reviews required by the Department, the Department may implement Corrective Action provisions. Under the Corrective Action provisions, the IM agency would have to submit a corrective action plan to DHFS, and must implement the plan within 10 days of approval by DHFS.

DHFS will be providing additional information about the number of second party reviews required for each IM agency and how this provision will be monitored in a separate Operations Memo.

MA VERIFICATION

The 2005-2007 biennial budget included savings associated with Medicaid Quality Assurance initiatives. As part of those initiatives, DHFS policy regarding MA verification will be modified. These policies will be provided in a separate Administrator's or Operations Memo in 2006.

Additional funding was provided in the 2005-2007 biennial budget for IM agencies for the administrative costs associated with the additional verification for Medicaid applications. Total funding statewide is $87,500 for CY 2005, and $175,000 for CY 2006. At the recommendation of the IMAC Workload and Financing subcommittee, the CY 2005 funding will be added to the CY/PY 2006 contract in order to allow agencies adequate time to expend these funds. Therefore, total statewide funding for this initiative for CY/PY 2006 is $262,500. Allocations for MA Verification are provided in Attachment 1. These allocations will be added to the base IM contract allocation for CY/PY 2006.

The methodology used to allocate these funds was based on the IM Workload Model developed by DHFS in cooperation with the IMAC Workload and Financing Subcommittee. Additional minutes were added to the applicable Medicaid cases in the workload model for processing applications, reviews, and changes. Each agency's IM Administration allocation under the IM Workload Model was then compared to the statewide allocation to arrive at a percentage for each agency. This percentage was then applied to the total $262,500 for MA Verification to arrive at each agency's allocated portion of these funds.

TRAINING

The contract language for training has been modified to add a requirement for agencies related to policy and process changes. Under this provision, the IM agency is required to ensure that experienced IM workers have knowledge of and the ability to correctly apply policy and process changes upon the release date or effective date, whichever is later, of Operations Memos or other training materials, handbooks or manuals. Exceptions to the time period will be identified for specific training items at the discretion of the Department. The Department may implement corrective action provisions if an agency fails to comply with training requirements.

CUSTOMER SERVICE FEEDBACK

Under previous years' contracts, IM agencies were required to periodically obtain customer feedback from applicants and participants concerning their level of satisfaction with services of the IM agency. In 2006, DHFS will require IM agencies to gather feedback from applicants and participants concerning their level of satisfaction with IM services. DHFS is in the process of developing a standard customer service feedback form. A pilot phase with select counties on a voluntary basis will begin in January 2006. Statewide implementation will begin on July 1, 2006. A separate Administrator's Memo will describe the feedback form and these requirements in more detail.

LIQUIDATED DAMAGES

In 2005, IM agencies were required to submit a quality assurance plan to assure that eligibility and benefits were accurately determined for all IM programs. The Department had the option to conduct a quality assurance review to identify case specific errors. IM agencies had 30 calendar days to correct the error. If the error was not corrected within 30 calendar days, the IM agency would be assessed two hundred and fifty dollars ($250) for each case that was not corrected.

In 2006, DHFS will not require agencies to submit a Quality Assurance Plan. DHFS has instead implemented provisions related to liquidated damages associated with case specific errors found through specified Medicaid and FoodShare Quality Assurance initiatives. DHFS has also added a provision related to liquidated damages associated with providing records to the Department.

Case Specific Errors

Case specific errors may be identified through the FoodShare Quality Assurance (FSQA) Review, Medicaid Eligibility Quality Control (MEQC) Review, and Payment Error Rate Measurement (PERM) Review. IM case specific errors must be corrected as identified through these reviews which could include termination of current and future benefits, the calculation of overpayment amounts and claims establishment or

restoration of benefits that were incorrectly under-issued, denied or terminated. Please note that the following provisions apply only to cases found in the FSQA, MEQC or PERM review processes. They do not apply to second party reviews, client complaints, or fair hearing orders at this time.

The CY 2006 IM Appendix provides that when the Department identifies an error in benefits, the agency will have 30 calendar days from receipt of written notification of the error to correct the error. If the error is not corrected within the 30 days, liquidated damages may be assessed. The amount of the liquidated damages will be $250 per case. For each additional 30 days the IM agency fails to correct the case specific error, an additional $250 in damages may be assessed. Further, if DHFS corrects the error, additional liquidated damages will be assessed in the amount of $250 per case.

Similarly, when the Department identifies an overpayment which requires claims establishment, the IM Agency will have 30 calendar days from receipt of notification to calculate the overpayment and establish a claim. If the overpayment claim is not established within the 30-day time period, damages may be assessed in the amount of $250 per case. For each additional 30 days that the claim is not established, additional damages will be assessed in the amount of $250 per case. Further, if the Department takes action to calculate the overpayment and establish the claim, additional liquidated damages will be assessed in the amount $250 per case.

Liquidated Damages for Failure to Provide Records

For a variety of reasons directly related to IM administration, DHFS may request that the IM agency provide us records. Under the contract, the IM Agency is required to make records available to DHFS. The agency has 10 business days to provide any original or copy of records that are requested. If the agency does not provide records as requested, DHFS may assess damages in the amount of $250 for each record requested that is not timely transferred.

INCENTIVE PAYMENT FOR OVERPAYMENT CLAIMS ESTABLISHMENT

As under prior years' contracts, the County is required to enter and process all collections and refunds of locally collected funds to CARES for FoodShare and Medicaid over-issued benefits. Local County collections will be posted (net of any refunds and cash adjustments) to CARS, or another system as designated by the Department.

In the past, the County has received a 15 percent incentive for claims established by the County for FoodShare and Medicaid fraud and client error collections in accordance with Department guidelines and as defined in Sections 49.497 and 49.793 of the Wisconsin Statutes. To be consistent with state statute, it is clarified in the contract, that if the State establishes the claim, the County will not receive the 15 percent incentive.

ADDITIONAL INFORMATION

As noted above, for many of these provisions, additional Administrator's or Operations Memos will be issued in the coming months.

CONTACTS:

Joanne Simpson
Section Chief, Program Management
simpsj@dhfs.state.wi.us
608-261-8358

BE11013.BC

ATTACHMENT 1

A. Medicaid Second Party Reviews – Calendar Year/Program Year (CY/PY) 2006.

B. Medicaid Verification – CY/PY 2006

	A.	B.
County	**CY/PY 2006 Medicaid Second Party Reviews**	**CY/PY 2006 Medicaid Verification**
ADAMS	3,414	1,022
ASHLAND	3,213	1,477
BARRON	7,753	3,030
BAYFIELD	2,083	734
BROWN	22,182	9,244
BUFFALO	1,767	551
BURNETT	2,411	841
CALUMET	2,792	958
CHIPPEWA	7,421	2,706
CLARK	4,181	1,570
COLUMBIA	4,819	1,901
CRAWFORD	2,464	870
DANE	31,826	17,292
DODGE	7,665	2,794
DOOR	2,816	1,185
DOUGLAS	6,646	2,906
DUNN	4,539	2,647
EAU CLAIRE	10,906	5,506
FLORENCE	825	387
FOND DU LAC	10,376	3,184
FOREST	1,426	452
GRANT	5,278	1,970
GREEN	3,610	1,137
GREEN LAKE	2,100	760
IOWA	2,277	736
IRON	1,126	476
JACKSON	2,871	1,046
JEFFERSON	7,419	3,155
JUNEAU	3,652	1,500
KENOSHA	20,177	10,294
KEWAUNEE	1,880	701
LA CROSSE	13,197	5,287
LAFAYETTE	1,669	579
LANGLADE	3,527	1,161
LINCOLN	3,431	1,143
MANITOWOC	8,152	2,868

	A.	B.
County	**CY/PY 2006 Medicaid Second Party Reviews**	**CY/PY 2006 Medicaid Verification**
MARATHON	12,542	5,655
MARINETTE	6,026	2,249
MARQUETTE	2,021	648
MENOMINEE	990	358
MILWAUKEE	178,582	75,366
MONROE	5,001	1,800
OCONTO	3,762	1,596
ONEIDA	5,128	1,711
OUTAGAMIE	11,791	4,558
OZAUKEE	3,603	1,578
PEPIN	913	427
PIERCE	2,636	1,380
POLK	4,969	2,012
PORTAGE	7,099	3,368
PRICE	2,881	1,015
RACINE	21,532	9,961
RICHLAND	2,642	848
ROCK	19,539	8,362
RUSK	2,661	809
SAUK	6,083	2,239
SAWYER	3,234	1,182
SHAWANO	4,635	1,368
SHEBOYGAN	10,321	4,404
ST. CROIX	4,729	2,328
TAYLOR	2,822	1,044
TREMPEALEAU	3,392	1,235
VERNON	3,622	1,091
VILAS	1,968	720
WALWORTH	9,421	4,005
WASHBURN	2,976	977
WASHINGTON	7,661	2,945
WAUKESHA	15,753	5,924
WAUPACA	6,833	2,248
WAUSHARA	2,832	979
WINNEBAGO	14,239	5,312
WOOD	9,588	3,871
County Total	$626,318	$259,643

	A.	B.
Tribe	**CY/PY 2006 Medicaid Second Party Reviews**	**CY/PY 2006 Medicaid Verification**
BAD RIVER	426	430
FOREST CO POTAWATOMI	245	358
LAC DU FLAMBEAU	884	430
ONEIDA TRIBE	1,252	493
RED CLIFF	435	430
SOKAOGON	247	358
STOCKBRIDGE-MUNSEE	193	358
Tribe Total	$3,682	$2,857
Statewide Total	$630,000	$262,500